GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1370
ANSWERED ON:25.07.2016
Violation of Contract by Cairn India
Koli Shri Bahadur Singh;Meena Shri Arjunlal

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Cairn India Limited is reportedly not honouring the commitment/undertaking submitted by them to the Government of Rajasthan under which the company has to process the crude oil and set up the retail outlets in Rajasthan only:
(b) if so, the details thereof and the action taken by the Government in this regard;
(c) whether the decision of the Ministry of Petroleum and Natural Gas taken in 2009 in this regard has also been violated ; and
(d) if so, the details thereof and the corrective action taken/being taken by the Government in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE)
IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN):
(a) & (b) As per Production Sharing Contract of the block RJ-ON-90/, operated by Cairn India Limited, delivery point is the outlet flange of delivery facility which in this case is Barmer Rajasthan. The crude produced from the block is being processed at Mangla Processing Terminal (MPT) in Barmer. However, PSC also provides that different delivery points may be established for sales to Government and other sales with approval of Government of India. In order to facilitate crude evacuation from the block as there are no refining facilities in the state of Rajasthan, after considering various options, Government approved laying of heated pipelines from Barmer to Bhogat and delivery points at Radhanpur, Viramgam and Bhogat in Gujrat. Government has not granted marketing rights for petroleum products to Cairn India Limited and hence there is no retail outlet.
(c) & (d) In 2009, Government had agreed to shift delivery point form Salaya to Bhogat terminal at coast to facilitate the crude evaucation from Bhogat. Managalore Refinery and Petrochemicals Limited has started taking crude form Bhogat terminal from this pipeline.
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